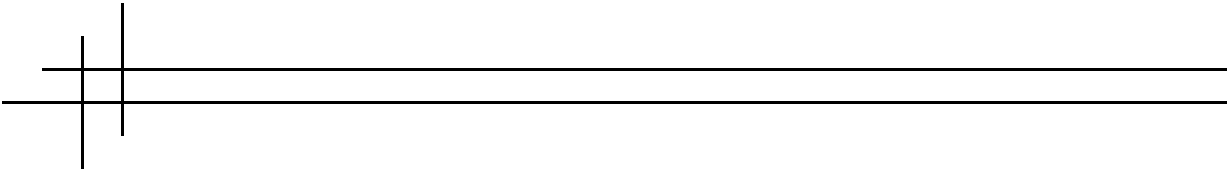




STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL

ANNUAL FINANCIAL REPORT
June 30, 2011

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



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ELIDA MUNICIPAL SCHOOL
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STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Official Roster
June 30, 2011

BOARD OF EDUCATION

Emiliano Jasso Jr.	President
Scott Burton	Vice-President
Garland Creighton	Secretary
Jenny Clemmons	Member
Montie Nickels	Member

SCHOOL OFFICIALS

Jim Daugherty	Superintendent
Susan Lambirth	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Elida Municipal School

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of Elida Municipal School, (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital project fund, debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project fund, debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

De'Ann Willoughby CPA PC

November 10, 2011

FINANCIAL SECTION

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Government-Wide Statement of Net Assets
 June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 504,997
Investments	19,369
Receivables	
Property Taxes	4,166
Due From Grantor	26,699
Inventory	6,122
Total Current Assets	<u>561,353</u>
Noncurrent Assets	
Capital Assets	5,394,252
Less: Accumulated Depreciation	<u>(3,555,897)</u>
Total Noncurrent Assets	<u>1,838,355</u>
Total Assets	<u>2,399,708</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	17,342
Accrued Interest	6,052
Current Portion of Long-Term Debt	75,000
Total Current Liabilities	<u>98,394</u>
Noncurrent Liabilities	
Bonds and Notes, Net	<u>150,794</u>
Total Noncurrent Liabilities	<u>150,794</u>
Total Liabilities	<u>249,188</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	1,612,561
Restricted for:	
Capital Projects	32,038
Debt Service	67,197
Unrestricted	438,724
Total Net Assets	<u>\$ 2,150,520</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 1,360,135	\$ 24,676	\$ 136,006	\$ 0	\$ (1,199,453)
Support Services-Students	40,732	0	0	0	(40,732)
Support Services-Instruction	41,642	0	0	0	(41,642)
General Administration	143,090	0	0	0	(143,090)
School Administration	43,440	0	0	0	(43,440)
Central Services	57,961	0	0	0	(57,961)
Operation of Plant	280,361	8,887	45,219	0	(226,255)
Transportation	204,796	0	198,529	0	(6,267)
Food Services	115,917	13,270	46,705	0	(55,942)
Depreciation	139,481	0	0	0	(139,481)
Interest on Long-Term Obligations	16,035	0	0	0	(16,035)
Total Governmental Activities	<u>\$ 2,443,590</u>	<u>\$ 46,833</u>	<u>\$ 426,459</u>	<u>\$ 0</u>	<u>(1,970,298)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					
					9,768
Property Taxes, Levied for Capital Projects					
					39,694
Property Taxes, Levied for Debt Service					
					96,177
Federal and State aid not restricted to specific purpose					
General					
					1,846,780
Capital					
					300,000
Interest and investment earnings					
					254
Miscellaneous					
					71,228
Subtotal, General Revenues					
					<u>2,363,901</u>
Change in Net Assets					
					<u>393,603</u>
Net Assets - beginning					
					1,777,265
Restatement					
					(20,348)
Restated Beginning Net Assets					
					<u>1,756,917</u>
Net Assets - ending					
					<u>\$ 2,150,520</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2011

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 72,293	\$ 24,113	\$ 17,899
Investments	0	0	0
Receivables			
Property Taxes	283	0	0
Due From Grantor	0	0	0
Interfund Balances	25,723	0	0
Inventory	0	0	0
Total Assets	\$ 98,299	\$ 24,113	\$ 17,899
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 8,525	\$ 458	\$ 0
Interfund Balances	0	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	8,525	458	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Unassigned- General Fund	89,774	23,655	17,899
Total Fund Balances	89,774	23,655	17,899
Total Liabilities and Fund Balances	\$ 98,299	\$ 24,113	\$ 17,899

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	General Fund			Special Revenue Funds		
	Instructional			IDEA B		
	Materials	Title I	Entitlement			
	14000	24101	24106			
ASSETS						
Cash and Cash Equivalents	\$ 2,214	\$ 0	\$ 0			
Investments	0	0	0			
Receivables						
Property Taxes	0	0	0			
Due From Grantor	0	18,926	6,743			
Interfund Balances	0	0	0			
Inventory	0	0	0			
Total Assets	\$ 2,214	\$ 18,926	\$ 6,743			
LIABILITIES AND FUND BALANCE						
Accounts Payable	\$ 0	\$ 0	\$ 0			
Interfund Balances	0	18,926	6,743			
Current Portion Due						
Principal	0	0	0			
Interest	0	0	0			
Total Liabilities	0	18,926	6,743			
Fund Balances						
Nonspendable-Inventory	0	0	0			
Restricted for, reported in						
Special Revenue Funds	0	0	0			
Capital Projects	0	0	0			
Debt Service	0	0	0			
Assigned-Capital Projects	0	0	0			
Unassigned- General Fund	2,214	0	0			
Total Fund Balances	2,214	0	0			
Total Liabilities and Fund Balances	\$ 2,214	\$ 18,926	\$ 6,743			

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	Special Revenue Funds		Capital Outlay
	Solar Energy	Wind Farm	Senate
	ARRA 27110	Projects 29134	Bill Nine 31700
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 161,896	\$ 81,365
Investments	0	19,369	0
Receivables			
Property Taxes	0	0	1,153
Due From Grantor	0	0	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 181,265</u>	<u>\$ 82,518</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 0	\$ 0	\$ 6,932
Interfund Balances	0	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>6,932</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	181,265	0
Capital Projects	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	75,586
Unassigned- General Fund	0	0	0
Total Fund Balances	<u>0</u>	<u>181,265</u>	<u>75,586</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 181,265</u>	<u>\$ 82,518</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 70,519	\$ 74,698	\$ 504,997
Investments	0	0	19,369
Receivables			
Property Taxes	2,730	0	4,166
Due From Grantor	0	1,030	26,699
Interfund Balances	0	0	25,723
Inventory	0	6,122	6,122
Total Assets	<u>\$ 73,249</u>	<u>\$ 81,850</u>	<u>\$ 587,076</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 0	\$ 1,427	\$ 17,342
Interfund Balances	0	54	25,723
Current Portion Due			
Principal	0	0	0
Interest	6,052	0	6,052
Total Liabilities	<u>6,052</u>	<u>1,481</u>	<u>49,117</u>
Fund Balances			
Nonspendable-Inventory	0	6,122	6,122
Restricted for, reported in			
Special Revenue Funds	0	42,209	223,474
Capital Projects	0	32,038	32,038
Debt Service	67,197	0	67,197
Assigned-Capital Projects	0	0	75,586
Unassigned- General Fund	0	0	133,542
Total Fund Balances	<u>67,197</u>	<u>80,369</u>	<u>537,959</u>
Total Liabilities and Fund Balances	<u>\$ 73,249</u>	<u>\$ 81,850</u>	<u>\$ 587,076</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2011

Total Fund Balance - Governmental Funds \$ 537,959

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$ 5,394,252	
Accumulated depreciation	<u>(3,555,897)</u>	1,838,355

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bonds payable	(235,000)	
Bond Issue Costs	37,561	
Accumulated Amortization	<u>(28,355)</u>	<u>(225,794)</u>

Total net assets - governmental activities \$ 2,150,520

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2011

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 9,768	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
Federal Grants	0	0	0
State & Local Grants	1,525,287	0	198,529
Miscellaneous	71,228	8,887	0
Total Revenues	1,606,283	8,887	198,529
Expenditures			
Current			
Instruction	975,493	0	0
Support Service-Students	40,732	0	0
Support Services-Instruction	41,642	0	0
Support Services-General Administration	141,785	0	0
Support Services-School Administration	43,440	0	0
Central Services	57,961	0	0
Operation & Maintenance of Plant	201,333	0	0
Student Transportation	0	7,502	197,294
Food Services	55,030	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	1,557,416	7,502	197,294
Excess (Deficiency) of Revenues Over Expenditures	48,867	1,385	1,235
Other Financing Sources (Uses)			
Transfers In/(Out)	(2,731)	0	0
Total Other Sources (Uses)	(2,731)	0	0
Net change in Fund Balance	46,136	1,385	1,235
Fund Balances at Beginning of Year	43,638	22,270	16,664
Restatement	0	0	0
Restated Beginning Fund Balance	43,638	22,270	16,664
Fund Balance End of Year	\$ 89,774	\$ 23,655	\$ 17,899

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2011

	General Fund	Special Revenue Funds	
	Instructional	Title I	IDEA B
	Materials		Entitlement
	14000	24101	24106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
Federal Grants	0	33,981	26,784
State & Local Grants	4,766	0	0
Miscellaneous	0	0	0
Total Revenues	4,766	33,981	26,784
Expenditures			
Current			
Instruction	9,168	33,981	26,784
Support Service-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	9,168	33,981	26,784
Excess (Deficiency) of Revenues Over Expenditures	(4,402)	0	0
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Total Other Sources (Uses)	0	0	0
Net change in Fund Balance	(4,402)	0	0
Fund Balances at Beginning of Year	6,616	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	6,616	0	0
Fund Balance End of Year	\$ 2,214	\$ 0	\$ 0

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		Capital Outlay
	Solar Energy	Wind Farm	SB-9
	ARRA 27110	Projects 29134	31700
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 39,694
Interest Income	0	0	205
Fees	0	0	0
Federal Grants	300,000	0	0
State & Local Grants	0	321,493	0
Miscellaneous	0	0	0
Total Revenues	300,000	321,493	39,899
Expenditures			
Current			
Instruction	0	207,973	0
Support Service-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	376
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	33,809
Student Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	300,000	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	300,000	207,973	34,185
Excess (Deficiency) of Revenues Over Expenditures	0	113,520	5,714
Other Financing Sources (Uses)			
Transfers In/(Out)	0	(11,613)	0
Total Other Sources (Uses)	0	(11,613)	0
Net change in Fund Balance	0	101,907	5,714
Fund Balances at Beginning of Year	0	79,358	69,872
Restatement	0	0	0
Restated Beginning Fund Balance	0	79,358	69,872
Fund Balance End of Year	\$ 0	\$ 181,265	\$ 75,586

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2011

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 96,177	\$ 0	\$ 145,639
Interest Income	0	49	254
Fees	0	37,783	37,783
Federal Grants	0	160,707	521,472
State & Local Grants	0	1,855	2,051,930
Miscellaneous	0	0	80,115
Total Revenues	96,177	200,394	2,837,193
Expenditures			
Current			
Instruction	0	106,736	1,360,135
Support Service-Students	0	0	40,732
Support Services-Instruction	0	0	41,642
Support Services-General Administration	929	0	143,090
Support Services-School Administration	0	0	43,440
Central Services	0	0	57,961
Operation & Maintenance of Plant	0	45,219	280,361
Student Transportation	0	0	204,796
Food Services	0	60,887	115,917
Capital Outlay	0	0	300,000
Debt Service			
Principal	70,000	0	70,000
Interest	12,905	0	12,905
Total Expenditures	83,834	212,842	2,670,979
Excess (Deficiency) of Revenues Over Expenditures	12,343	(12,448)	166,214
Other Financing Sources (Uses)			
Transfers In/(Out)	0	14,344	0
Total Other Sources (Uses)	0	14,344	0
Net change in Fund Balance	12,343	1,896	166,214
Fund Balances at Beginning of Year	54,854	82,964	376,236
Restatement	0	(4,491)	(4,491)
Restated Beginning Fund Balance	54,854	78,473	371,745
Fund Balance End of Year	\$ 67,197	\$ 80,369	\$ 537,959

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2011

Net Change in Fund Balance-Governmental Funds \$ 166,214

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation expense	\$	(139,481)	
Capital Outlays		<u>300,000</u>	160,519

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 70,000

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds. (3,130)

Changes in Net Assets of Governmental Activities \$ 393,603

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 11,906	\$ 11,906	\$ 9,485	\$ (2,421)
State & Local Grants	1,560,409	1,532,413	1,525,287	(7,126)
Miscellaneous	3,854	3,854	65,766	61,912
Total Revenues	<u>1,576,169</u>	<u>1,548,173</u>	<u>1,600,538</u>	<u>52,365</u>
Expenditures				
Instruction				
Personnel Services	715,986	715,986	714,888	1,098
Employee Benefits	231,290	231,290	213,930	17,360
Other Purchased Services	12,500	12,500	17,620	(5,120)
Supplies	15,128	22,628	29,055	(6,427)
Total Instruction	<u>974,904</u>	<u>982,404</u>	<u>975,493</u>	<u>6,911</u>
Support Services-Students				
Personnel Services	28,258	28,258	26,698	1,560
Professional & Tech Services	9,894	9,794	6,171	3,623
Other Purchased Services	11,462	11,462	4,862	6,600
Supplies	2,753	2,753	3,001	(248)
Total Support Services-Students	<u>52,367</u>	<u>52,267</u>	<u>40,732</u>	<u>11,535</u>
Support Services-Instruction				
Personnel Services	34,300	34,300	34,300	0
Employee Benefits	6,957	6,957	6,956	1
Supplies	80	80	386	(306)
Total Support Services-Instruction	<u>41,337</u>	<u>41,337</u>	<u>41,642</u>	<u>(305)</u>
Support Services-General Administration				
Personnel Services	96,694	96,694	76,194	20,500
Employee Benefits	33,992	33,992	21,614	12,378
Professional & Tech Services	11,036	11,036	15,698	(4,662)
Other Purchased Services	651	651	26,066	(25,415)
Supplies	1,250	1,250	1,426	(176)
Total Support Services-General Administration	<u>143,623</u>	<u>143,623</u>	<u>140,998</u>	<u>2,625</u>

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 35,700	\$ 35,700	\$ 35,700	\$ 0
Employee Benefits	7,240	7,240	7,240	0
Supplies	200	200	500	(300)
Total Support Services-School Administration	<u>43,140</u>	<u>43,140</u>	<u>43,440</u>	<u>(300)</u>
Central Services				
Personnel Services	38,256	38,256	38,256	0
Employee Benefits	11,101	11,101	10,865	236
Other Purchased Services	6,500	6,500	6,479	21
Supplies	2,000	2,000	2,259	(259)
Total Central Service	<u>57,857</u>	<u>57,857</u>	<u>57,859</u>	<u>(2)</u>
Operation & Maintenance of Plant				
Personnel Services	65,888	65,888	66,117	(229)
Employee Benefits	17,928	17,928	23,033	(5,105)
Purchased Property Services	77,500	77,500	76,450	1,050
Other Purchased Services	42,354	2,686	2,882	(196)
Supplies	17,245	24,745	26,749	(2,004)
Total Operation & Maintenance of Plant	<u>220,915</u>	<u>188,747</u>	<u>195,231</u>	<u>(6,484)</u>
Food Service Operations				
Personnel Services	34,122	34,122	36,187	(2,065)
Employee Benefits	19,250	19,250	18,751	499
Supplies	50	50	92	(42)
Total Food Service Operations	<u>53,422</u>	<u>53,422</u>	<u>55,030</u>	<u>(1,608)</u>
Total Expenditures	<u>1,587,565</u>	<u>1,562,797</u>	<u>1,550,425</u>	<u>12,372</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,396)</u>	<u>(14,624)</u>	<u>50,113</u>	<u>64,737</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	2,731	2,731
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>2,731</u>	<u>2,731</u>
Net Change in Cash Balance	(11,396)	(14,624)	52,844	67,468
Cash Balance Beginning of Year	<u>45,172</u>	<u>45,172</u>	<u>45,172</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 33,776</u>	<u>\$ 30,548</u>	<u>\$ 98,016</u>	<u>\$ 67,468</u>

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 GENERAL FUND-OPERATIONAL-11000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>with Final</u>
			<u>Basis)</u>	<u>Budget-</u>
				<u>Over (Under)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 52,844	
Net change in Receivables			107	
Net change in Deferred Revenue			(6,815)	
Net Change in Fund Balance			<u>\$ 46,136</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GENERAL FUND-TEACHERAGE-12000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 12,100	\$ 12,100	\$ 8,887	\$ (3,213)
Total Revenues	<u>12,100</u>	<u>12,100</u>	<u>8,887</u>	<u>(3,213)</u>
Expenditures				
Student Transportation				
Purchased Property Services	23,665	23,665	2,501	21,164
Other Purchased Services	0	0	1,400	(1,400)
Supplies	1,738	1,738	1,300	438
Supply Assets	8,268	8,268	1,843	6,425
Total Student Transportation	<u>33,671</u>	<u>33,671</u>	<u>7,044</u>	<u>26,627</u>
Total Expenditures	<u>33,671</u>	<u>33,671</u>	<u>7,044</u>	<u>26,627</u>
Excess (Deficiency) of Revenues Over Expenditures	(21,571)	(21,571)	1,843	23,414
Cash Balance Beginning of Year	<u>22,270</u>	<u>22,270</u>	<u>22,270</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 699</u>	<u>\$ 699</u>	<u>\$ 24,113</u>	<u>\$ 23,414</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,843	
Net Change in Accounts Payable			<u>(458)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,385</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 217,289	\$ 233,120	\$ 198,529	\$ (34,591)
Total Revenues	<u>217,289</u>	<u>233,120</u>	<u>198,529</u>	<u>(34,591)</u>
Expenditures				
Student Transportation				
Personnel Services	53,723	53,723	53,722	1
Employee Benefits	32,654	32,654	28,618	4,036
Professional & Tech Services	2,500	2,500	6,048	(3,548)
Purchased Property Services	13,193	13,193	13,193	0
Other Purchased Services	101,975	96,994	95,713	1,281
Total Student Transportation	<u>204,045</u>	<u>199,064</u>	<u>197,294</u>	<u>1,770</u>
Total Expenditures	<u>204,045</u>	<u>199,064</u>	<u>197,294</u>	<u>1,770</u>
Excess (Deficiency) of Revenues Over Expenditures	13,244	34,056	1,235	(32,821)
Cash Balance Beginning of Year	<u>16,664</u>	<u>16,664</u>	<u>16,664</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 29,908</u>	<u>\$ 50,720</u>	<u>\$ 17,899</u>	<u>\$ (32,821)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,235	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,235</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 4,530	\$ 4,530	\$ 4,766	\$ 236
Total Revenues	<u>4,530</u>	<u>4,530</u>	<u>4,766</u>	<u>236</u>
Expenditures				
Instruction				
Supplies	4,530	4,530	9,168	(4,638)
Total Instruction	<u>4,530</u>	<u>4,530</u>	<u>9,168</u>	<u>(4,638)</u>
Total Expenditures	<u>4,530</u>	<u>4,530</u>	<u>9,168</u>	<u>(4,638)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(4,402)	(4,402)
Cash Balance Beginning of Year	<u>6,616</u>	<u>6,616</u>	<u>6,616</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,616</u>	<u>\$ 6,616</u>	<u>\$ 2,214</u>	<u>\$ (4,402)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,402)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (4,402)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 21,949	\$ 44,142	\$ 33,114	\$ (11,028)
Total Revenues	<u>21,949</u>	<u>44,142</u>	<u>33,114</u>	<u>(11,028)</u>
Expenditures				
Instruction				
Personnel Services	11,749	11,749	10,691	1,058
Employee Benefits	11,583	11,583	2,363	9,220
Professional & Tech Services	0	3,700	1,107	2,593
Supplies	0	0	868	(868)
Supply Assets	0	18,493	18,952	(459)
Total Instruction	<u>23,332</u>	<u>45,525</u>	<u>33,981</u>	<u>11,544</u>
Total Expenditures	<u>23,332</u>	<u>45,525</u>	<u>33,981</u>	<u>11,544</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,383)</u>	<u>(1,383)</u>	<u>(867)</u>	<u>516</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(19,442)	(19,442)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(19,442)</u>	<u>(19,442)</u>
Net Change in Cash Balance	(1,383)	(1,383)	(20,309)	(18,926)
Cash Balance Beginning of Year	<u>1,383</u>	<u>1,383</u>	<u>1,383</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (18,926)</u>	<u>\$ (18,926)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (20,309)	
Net Change in Due from Grantor			18,926	
Net Change in Deferred Revenue			1,383	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-IDEA, PART B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 30,222	\$ 33,819	\$ 26,785	\$ (7,034)
Total Revenues	<u>30,222</u>	<u>33,819</u>	<u>26,785</u>	<u>(7,034)</u>
Expenditures				
Instruction				
Personnel Services	14,890	18,487	15,940	2,547
Employee Benefits	<u>10,997</u>	<u>10,997</u>	<u>10,845</u>	<u>152</u>
Total Instruction	<u>25,887</u>	<u>29,484</u>	<u>26,785</u>	<u>2,699</u>
Total Expenditures	<u>25,887</u>	<u>29,484</u>	<u>26,785</u>	<u>2,699</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,335</u>	<u>4,335</u>	<u>0</u>	<u>(4,335)</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	<u>0</u>	<u>0</u>	<u>(2,408)</u>	<u>(2,408)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(2,408)</u>	<u>(2,408)</u>
Net Change in Cash Balance	4,335	4,335	(2,408)	(6,743)
Cash Balance Beginning of Year	<u>(4,335)</u>	<u>(4,335)</u>	<u>(4,335)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,743)</u>	<u>\$ (6,743)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (2,408)	
Net Change in Due from Grantor			2,408	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-SOLAR ENERGY RECOVERY ACT-27110
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 300,000	\$ 300,000	\$ 0
Total Revenues	<u>0</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Expenditures				
Operation & Maintenance of Plant				
Purchased Property Services	0	300,000	300,000	0
Total Operation & Maintenance of Plant	<u>0</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-WIND FARM PROJECTS-29134
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources	\$ 321,493	\$ 321,493	\$ 321,492	\$ (1)
Total Revenues	<u>321,493</u>	<u>321,493</u>	<u>321,492</u>	<u>(1)</u>
Expenditures				
Instruction				
Purchased Property	0	0	147,906	(147,906)
Supplies	10,000	10,000	25,084	(15,084)
Fixed Assets	277,000	277,000	30,880	246,120
Supply Assets	4,000	4,000	4,102	(102)
Total Instruction	<u>291,000</u>	<u>291,000</u>	<u>207,972</u>	<u>83,028</u>
Total Expenditures	<u>291,000</u>	<u>291,000</u>	<u>207,972</u>	<u>83,028</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>30,493</u>	<u>30,493</u>	<u>113,520</u>	<u>83,028</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(11,613)	(11,613)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(11,613)</u>	<u>(11,613)</u>
Net Change in Cash Balance	30,493	30,493	101,907	71,415
Cash Balance Beginning of Year	<u>79,358</u>	<u>79,358</u>	<u>79,358</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 109,851</u>	<u>\$ 109,851</u>	<u>\$ 181,265</u>	<u>\$ 71,415</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 101,907	
Net Change in Fund Balance			<u>\$ 101,907</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Statement of Fiduciary Assets and Liabilities-Agency Fund
June 30, 2011

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 26,089
Total Assets	<u>\$ 26,089</u>
Liabilities	
Deposits Held for Others	\$ 26,089
Total Liabilities	<u>\$ 26,089</u>

The notes to the financial statements are an integral part of this statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Elida Municipal School (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Major Funds

The District reports the following major governmental funds:

General Fund (11000)(13000)(14000)

The General Fund consist of four sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The second is the Teacherage fund of the District and accounts for rental properties that are rented to teachers and administrators that work at the school. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

Title I (24101). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

IDEA Part B, Entitlement (24106). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

Capital Projects

Senate Bill Nine (31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Debt Service (41000). To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

Measurement Focus and Basis of Accounting
Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, Transportation, Food Service, Special Revenue Funds such as special education as well as others, and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function.

8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

(a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	30-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	5-30 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Nonspendable fund balance represents assets that are other than cash such as inventory.

Restricted fund balance indicates that portion of fund equity which has been segregated for specific purposes.

Assigned fund balance classification are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance indicates that portion of fund equity which is available for budgeting in future periods.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

There are no compensated absences should an employee terminate all paid time off is lost.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2011

A. Deposits and Investments

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

Stone Community Bank

<u>Name of Account</u>	Balance Per Bank 6/30/11	Reconciled Balance	Type
Elida Municipal School	\$ 369,171	\$ 243,346	Checking
Elida Municipal School-Activity	26,646	26,089	Checking
Elida Municipal School	147,347	147,348	Checking
TOTAL Deposited	<u>543,164</u>	<u>\$ 416,783</u>	
Less: FDIC Coverage	(250,000)		
Uninsured Amount	293,164		
50% collateral requirement	146,582		
Pledged securities	308,319		
Over (Under) requirement	<u>\$ 161,737</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at Stone National Bank:

<u>Description</u>	<u>Number</u>	<u>Amount</u>	<u>Maturity Date</u>	<u>Place of Safe Keeping</u>
Bernalillo, NM MSD	085279PR2	\$ 102,530	8/1/2013	TIB Irving TX
Bernalillo, NM MSD	085279PR2	102,530	8/1/2013	TIB Irving TX
San Juan Cnty NM ISD	798359JC0	103,259	8/1/2014	TIB Irving TX
		<u>\$ 308,319</u>		

NM Bank & Trust

<u>Name of Account</u>	Balance Per Bank 6/30/11	Reconciled Balance	Type
Elida Municipal School	\$ 114,303	\$ 114,303	Checking
TOTAL Deposited	114,303	<u>\$ 114,303</u>	
Less: FDIC Coverage	(114,303)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 364,303
Collateralized:	
Collateral held by the pledging bank in District's name	293,164
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 657,467</u>

STATE OF NEW MEXICO
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Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2011 none of the District's bank balance of \$657,467 was exposed to custodial credit risk.

NM State Treasurer

<u>Name of Account</u>	<u>Value 6/30/11</u>	<u>Type</u>
Elida Municipal School	\$ 15,794	Investment
Elida Municipal School	663	Investment
Elida Municipal School	2,876	Investment
Elida Municipal School	36	Investment
Total Investments	<u>\$ 19,369</u>	

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure. However, our portfolio is posted on the State Treasurer's website www.stonm.org and available for review by participants at any time.
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.stonm.org. As of June 30, 2011, the LGIP WAM is 50 days.
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2011

B. Receivables

Following is a schedule of receivables as of June 30, 2011:

	General Fund 11000	Title I 24101	IDEA B Entitlement 24106	Senate Bill Nine 31700	Debt Service 41000
Property Taxes Available	\$ 283	\$ 0	\$ 0	\$ 1,153	\$ 2,730
Due From State	0	0	0	0	0
Federal	0	18,926	6,743	0	0
	<u>\$ 283</u>	<u>18,926</u>	<u>6,743</u>	<u>1,153</u>	<u>\$ 2,730</u>
				Other Governmental	Total Governmental Funds
Property Taxes Available				\$ 0	\$ 4,166
Due From Grantors:					
State Agencies				0	0
Federal Agencies				1,030	26,699
				<u>\$ 1,030</u>	<u>\$ 30,865</u>

C. Interfund Receivables, Payables and Transfers

Interfund Balances during the year ending June 30, 2011 were as follows:

Due to General Fund from:

Major Funds	
Title I - 24101	\$ 18,926
IDEA B Entitlement-24106	6,743
Other Governmental Funds	54
Totals	<u>\$ 25,723</u>

D. Capital Assets

Capital Assets Balances and Activity for the fiscal year end is as follows:

	Beginning Balance 6/30/10	Increases	Decreases	Ending Balance 6/30/11
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 9,000	\$ 0	\$ 0	\$ 9,000
Total Capital Assets not being Depreciated	<u>\$ 9,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,000</u>

STATE OF NEW MEXICO
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Capital Assets, being Depreciated				
Buildings & Improvements	\$ 4,647,828	\$ 300,000	\$ 0	\$ 4,947,828
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>437,424</u>	<u>0</u>	<u>0</u>	<u>437,424</u>
Total Capital Assets being Depreciated	<u>5,085,252</u>	<u>300,000</u>	<u>0</u>	<u>5,385,252</u>
Total Capital Assets	<u>5,094,252</u>	<u>300,000</u>	<u>0</u>	<u>5,394,252</u>
Less Accumulated Depreciation				
Buildings & Improvements	3,206,065	90,700	0	3,296,765
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>210,351</u>	<u>48,781</u>	<u>0</u>	<u>259,132</u>
Total Accumulated Depreciation	<u>3,416,416</u>	<u>139,481</u>	<u>0</u>	<u>3,555,897</u>
Capital Assets, net	<u>\$ 1,677,836</u>	<u>\$ 160,519</u>	<u>\$ 0</u>	<u>\$ 1,838,355</u>

Depreciation expense was not charged to governmental activities because the information was unavailable.

E. Long-Term Debt

A summary of activity in the Long-Term Debt is as follows:

	<u>Beginning Balance 6/30/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 6/30/11</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ <u>305,000</u>	\$ <u>0</u>	\$ <u>70,000</u>	\$ <u>235,000</u>	\$ <u>75,000</u>
Total Bonds	<u>305,000</u>	<u>0</u>	<u>70,000</u>	<u>235,000</u>	<u>75,000</u>
Total Long-Term Liabilities	<u>\$ 305,000</u>	<u>\$ 0</u>	<u>\$ 70,000</u>	<u>\$ 235,000</u>	<u>\$ 75,000</u>

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

<u>Series</u>	<u>Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance</u>
2001	04-01-01	770,000	4.9%-5.25%	\$ <u>235,000</u>
				\$ <u>235,000</u>

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The annual requirements to amortize the 2001 Series general obligation bonds as of June 30, 2011, including interest payments are as follows:

	Principal	Interest	Total
2012	\$ 75,000	\$ 10,193	\$ 85,193
2013	80,000	6,240	86,240
2014	80,000	2,100	82,100
	<u>\$ 235,000</u>	<u>\$ 18,533</u>	<u>\$ 253,533</u>

Reconciliation of Long-Term Debt disclosed in Note H to the Long-Term Debt reported in the Statement of Net Assets.

Note H	
Bonds	\$ 235,000
Issue Costs/Premium/Discounts on Bond Issues	(37,561)
Accumulated Amortization	28,355
Statement of Net Assets	<u>\$ 225,794</u>
Long-Term Per Government Wide Financial Statements	\$ 150,794
Current Portion	75,000
Statement of Net Assets	<u>\$ 225,794</u>

F. Commitments

The District has no construction commitments on June 30, 2011.

G. Pension Plan

Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school Districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Effective July 1, 2009 through June 30, 2011, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to continue 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$212,788, \$128,548 and \$114,435 respectively, which equal the amount of the required contributions for each fiscal year.

H. Retiree Health Care Act

The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

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 June 30, 2011

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the RHCA, Albuquerque State Government Center, 401 Roma, NW, Suite 200, Albuquerque, New Mexico 87102.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2012	1.834%	0.917%
2013	2.000%	1.000%

Also, employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$26,195, \$14,064 and \$13,827 respectively, which equal the required contributions for each year.

I. Reconciliation of Budgetary Basis to GAAP Basis Statements

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are included on each Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

J. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

K. Surety Bond

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

L. Joint Powers Agreements

A joint powers agreement was entered into with the Regional Education Cooperative No. 6 (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others.

There are ten schools that participate in the REC, they are Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, San Jon, and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The financial statements for the REC were prepared by another IPA. The audit report is available at the REC located at 1500 South Ave K, Station 9, Portales, New Mexico 88130.

M. Budget Violations

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

The following funds exceeded approved budgetary authority for the year ended June 30, 2011:

<u>MAJOR</u>	<u>Amount</u>
General-Operational-11000	
Support Services-Instruction	(\$305)
Support Services-School Administration	(\$300)
Central Services	(\$2)
Operation & Maintenance of Plant	(\$6,484)
Food Service Operations	(\$1,608)
General-Instructional Materials-14000	
Instruction	(\$4,638)
Capital Projects Fund-Senate Bill Nine-31700	
Support Services-General Administration	(\$126)
<u>NON-MAJOR</u>	
Athletics-22000	
Instruction	(\$11,612)
Tech for Education-27117	
Instruction	(\$2,035)

N. Prior Period Adjustments

The Fund Balance was restated as follows:

Fund 25250	\$	(2,430)
Fund 27117		1,774
Fund 27200		<u>(3,835)</u>
	\$	<u><u>(4,491)</u></u>

All adjustment results from reclassifying deferred revenue and fund balance. Funds 25250 and 27200 can not have deferred revenue because they are reimbursements grants. Revenues or expenditures must have been posted incorrectly in prior years for those funds to have a cash balance and deferred revenue. Fund 27117 should be classified as fund balance. The cash balance is available for expenditures the next year with budget authority.

The Net Assets were changed as follows:

Above adjustment	\$	(4,491)
Deferred Revenue-Special Revenue Funds		(13,521)
Deferred Revenue-Current Taxes Receivable		<u>(2,336)</u>
	\$	<u><u>(20,348)</u></u>

Deferred Revenue for the special revenue funds of \$(13,521) was included as an adjustment on the reconciliation of Fund Balance to Net Assets as deferred property taxes rather than shown of the Statement of Activities. The current taxes receivable was of \$2,336 was also shown as deferred revenue.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 48,613	\$ 48,613	\$ 38,541	\$ (10,072)
Interest Income	2,306	2,306	205	(2,101)
State Grant	0	8,498	0	(8,498)
Total Revenues	<u>50,919</u>	<u>59,417</u>	<u>38,746</u>	<u>(20,671)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	250	250	376	(126)
Total Support Services-General Administration	<u>250</u>	<u>250</u>	<u>376</u>	<u>(126)</u>
Capital Outlay				
Purchased Property	66,960	66,960	14,948	52,012
Supplies	53,921	62,419	11,929	50,490
Fixed Assets	7,627	7,627	0	7,627
Total Capital Outlay	<u>128,508</u>	<u>137,006</u>	<u>26,877</u>	<u>110,129</u>
Total Expenditures	<u>128,758</u>	<u>137,256</u>	<u>27,253</u>	<u>110,003</u>
Excess (Deficiency) of Revenues Over Expenditures	(77,839)	(77,839)	11,493	89,332
Cash Balance Beginning of Year	<u>69,872</u>	<u>69,872</u>	<u>69,872</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (7,967)</u></u>	<u><u>\$ (7,967)</u></u>	<u><u>\$ 81,365</u></u>	<u><u>\$ 89,332</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,493	
Net Change in Receivables			366	
Net Change in Accounts Payable			(6,932)	
Net Change in Deferred Revenue			787	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 5,714</u></u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
DEBT SERVICE-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 76,324	\$ 76,324	\$ 93,447	\$ 17,123
Total Revenues	<u>76,324</u>	<u>76,324</u>	<u>93,447</u>	<u>17,123</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>1,000</u>	<u>1,000</u>	<u>929</u>	<u>71</u>
Total Support Services-General Administration	<u>1,000</u>	<u>1,000</u>	<u>929</u>	<u>71</u>
Debt Service				
Principal	70,000	70,000	70,000	0
Interest	<u>13,873</u>	<u>14,373</u>	<u>14,373</u>	<u>0</u>
Total Debt Service	<u>83,873</u>	<u>84,373</u>	<u>84,373</u>	<u>0</u>
Total Expenditures	<u>84,873</u>	<u>85,373</u>	<u>85,302</u>	<u>71</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,549)	(9,049)	8,145	17,194
Cash Balance Beginning of Year	<u>62,374</u>	<u>62,374</u>	<u>62,374</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 53,825</u>	<u>\$ 53,325</u>	<u>\$ 70,519</u>	<u>\$ 17,194</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,145	
Net Change in Receivables			1,358	
Net Change in Current Portion Interest			1,468	
Net Change in Deferred Revenue			<u>1,372</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 12,343</u>	

The notes to the financial statements are an integral part of this statement.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Food Services (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

IDEA B Discretionary (24107). To account for funds for free appropriate public education to all children with disabilities. The program is funded by Federal Government and pass through the State Department of Education under the individuals with Disabilities Education Act, Part B, Sections 611-617, and Part O, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

Title V (24150). To account for funds for safe and drug-free schools and communities. The project is funded by Federal Government through the New Mexico State Department of Education, to the District as a sub-grant under Sections 4112 and 4115.

Teacher/Principal Training (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Title I Recovery Act (24201). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

IDEA B Recovery Act (24206). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

Rural Education Achievement Program (25233). To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

State Fiscal Stabilization Program Fund (25250). The objectives of this grant are to support and restore funding for elementary and secondary education, to avoid reductions in budgets for education and other essential services in exchange for a commitment to advance essential education reforms. The fund was created by grant provisions.

Education Jobs Fund (25255). To provide for the compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services. Authorized by PL No 111-226.

Dual Credit Instructional Materials (27103). To provide funding to the District to purchase college books for students attending college classes and obtaining dual credits. The fund was created by grant provisions.

NONMAJOR SPECIAL REVENUE FUNDS

Technology for Education (27117). To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

Incentives for School Improvement (27138). To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

Beginning Teacher Mentoring (27154). To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades sixth through eight. The fund was created by state grant provisions.

Library GO Bond (27170). To account for funds provided to acquire supplementary library books, equipment, and library resources for public schools, funded through the New Mexico Public Education Department, as authorized by the Laws 2004, Chapter 117.

State Directed Activities (27200). The objective is to account for the monies received from IDEA Discretionary funding passed through regional educational cooperatives.

NONMAJOR CAPITAL OUTLAY

Bond Building (31100). The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

Special School Capital Outlay-State (31400). To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA B Discretionary 24107
ASSETS			
Cash and Cash Equivalents	\$ 21,964	\$ 4,985	\$ 0
Due from Grantor	0	0	0
Inventory	6,122	0	0
Total Assets	<u>\$ 28,086</u>	<u>\$ 4,985</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 451	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>451</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	6,122	0	0
Restricted for, reported in Special Revenue Funds	21,964	4,534	0
Capital Projects	0	0	0
Total Fund Balance	<u>28,086</u>	<u>4,534</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 28,086</u>	<u>\$ 4,985</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Title V 24150	Teacher Principal Training 24154	Title I Recovery Act 24201
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Due from Grantor	0	0	54
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 54</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	54
Total Liabilities	<u>0</u>	<u>0</u>	<u>54</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 54</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	IDEA Part B Recovery Act 24206	Rural Education Achievement Program 25233	State Fiscal Stabilization Program Fund 25250
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Due from Grantor	0	976	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 976</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 976	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>976</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 976</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Education Job Fund 25255	Dual Credit 27103	Education for Technology 27117
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Incentives for School Improvements 27138	Beginning Teacher Mentoring 27154	Library Go Bond 27170
ASSETS			
Cash and Cash Equivalents	\$ 14,600	\$ 1,111	\$ 0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 14,600</u>	<u>\$ 1,111</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in Special Revenue Funds	14,600	1,111	0
Capital Projects	0	0	0
Total Fund Balance	<u>14,600</u>	<u>1,111</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 14,600</u>	<u>\$ 1,111</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue	Capital Project Fund	
	State Directed Activities 27200	Bond Building 31100	Special Capital Outlay State 31400
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 32,038	\$ 0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 32,038</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Projects	0	32,038	0
Total Fund Balance	<u>0</u>	<u>32,038</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 32,038</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	<u>Total</u>
ASSETS	
Cash and Cash Equivalents	\$ 74,698
Due from Grantor	1,030
Inventory	6,122
Total Assets	<u>\$ 81,850</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 1,427
Interfund Balances	54
Total Liabilities	<u>1,481</u>
Fund Balance	
Nonspendable-Inventory	6,122
Restricted for, reported in Special Revenue Funds	42,209
Capital Projects	32,038
Total Fund Balance	<u>80,369</u>
Total Liabilities and Fund Balance	<u>\$ 81,850</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA B Discretionary 24107
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	13,270	24,513	0
Federal Grants	46,705	0	0
State & Local Grants	0	0	0
Total Revenues	<u>59,975</u>	<u>24,513</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	31,593	0
Operation & Maintenance of Plant	0	0	0
Food Services Operations	60,887	0	0
Total Expenditures	<u>60,887</u>	<u>31,593</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(912)</u>	<u>(7,080)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	11,613	0
Total Other Sources (Uses)	<u>0</u>	<u>11,613</u>	<u>0</u>
Net Change in Fund Balance	<u>(912)</u>	<u>4,533</u>	<u>0</u>
Fund Balances at Beginning of Year	28,998	1	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>28,998</u>	<u>1</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 28,086</u>	<u>\$ 4,534</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Title V 24150	Teacher Principal Training 24154	Title I Recovery Act 24201
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	0	163	8,879
State & Local Grants	0	0	0
Total Revenues	<u>0</u>	<u>163</u>	<u>8,879</u>
Expenditures			
Current			
Instruction	0	163	8,879
Operation & Maintenance of Plant	0	0	0
Food Services Operations	0	0	0
Total Expenditures	<u>0</u>	<u>163</u>	<u>8,879</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	IDEA Part B Recovery Act 24206	Rural Education Achievement Program 25233	State Fiscal Stabilization Program Fund 25250
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	12,443	10,410	45,219
State & Local Grants	0	0	0
Total Revenues	<u>12,443</u>	<u>10,410</u>	<u>45,219</u>
Expenditures			
Current			
Instruction	12,443	10,410	0
Operation & Maintenance of Plant	0	0	45,219
Food Services Operations	0	0	0
Total Expenditures	<u>12,443</u>	<u>10,410</u>	<u>45,219</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	2,430
Restatement	0	0	(2,430)
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Education Job Fund 25255	Dual Credit 27103	Education for Technology 27117
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	36,888	0	0
State & Local Grants	0	275	1,580
Total Revenues	<u>36,888</u>	<u>275</u>	<u>1,580</u>
Expenditures			
Current			
Instruction	36,888	275	6,085
Operation & Maintenance of Plant	0	0	0
Food Services Operations	0	0	0
Total Expenditures	<u>36,888</u>	<u>275</u>	<u>6,085</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(4,505)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	2,731
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>2,731</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>(1,774)</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	1,774
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>1,774</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Incentives for School Improvements <u>27138</u>	Beginning Teacher Mentoring <u>27154</u>	Library Go Bond <u>27170</u>
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	0	0	0
State & Local Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Services Operations	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	14,600	1,111	0
Restatement	<u>0</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 14,600</u>	<u>\$ 1,111</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue	Capital Project Fund	
	State Directed Activities 27200	Bond Building 31100	Special Capital Outlay State 31400
Revenues			
Interest Income	\$ 0	\$ 49	\$ 0
Fees	0	0	0
Federal Grants	0	0	0
State & Local Grants	0	0	0
Total Revenues	<u>0</u>	<u>49</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Services Operations	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>49</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)		12,242	(12,242)
Total Other Sources (Uses)	<u>0</u>	<u>12,242</u>	<u>(12,242)</u>
Net Change in Fund Balance	<u>0</u>	<u>12,291</u>	<u>(12,242)</u>
Fund Balances at Beginning of Year	3,835	19,747	12,242
Restatement	(3,835)	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>19,747</u>	<u>12,242</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 32,038</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	<u>Total</u>
Revenues	
Interest Income	\$ 49
Fees	37,783
Federal Grants	160,707
State & Local Grants	<u>1,855</u>
Total Revenues	<u>200,394</u>
Expenditures	
Current	
Instruction	106,736
Operation & Maintenance of Plant	45,219
Food Services Operations	<u>60,887</u>
Total Expenditures	<u>212,842</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,448)</u>
Other Financing Sources (Uses)	
Transfers In/(Out)	<u>14,344</u>
Total Other Sources (Uses)	<u>14,344</u>
Net Change in Fund Balance	<u>1,896</u>
Fund Balances at Beginning of Year	82,964
Restatement	<u>(4,491)</u>
Restated Beginning Fund Balance	<u>62,762</u>
Fund Balance End of Year	<u>\$ 80,369</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 13,613	\$ 13,613	\$ 13,270	\$ (343)
Federal Grant	34,163	34,163	42,641	8,478
Total Revenues	<u>47,776</u>	<u>47,776</u>	<u>55,911</u>	<u>8,135</u>
Expenditures				
Food Service Operations				
Other Purchased Services	350	350	183	167
Supplies	56,910	56,910	61,176	(4,266)
Supply Assets	5,000	5,000	0	5,000
Total Food Service Operations	<u>62,260</u>	<u>62,260</u>	<u>61,359</u>	<u>901</u>
Total Expenditures	<u>62,260</u>	<u>62,260</u>	<u>61,359</u>	<u>901</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,484)	(14,484)	(5,448)	9,036
Cash Balance Beginning of Year	<u>27,412</u>	<u>27,412</u>	<u>27,412</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 12,928</u>	<u>\$ 12,928</u>	<u>\$ 21,964</u>	<u>\$ 9,036</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,448)	
Net change in Inventory			<u>4,536</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (912)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 19,530	\$ 19,530	\$ 24,513	\$ 4,983
Total Revenues	<u>19,530</u>	<u>19,530</u>	<u>24,513</u>	<u>4,983</u>
Expenditures				
Instruction				
Student Travel	5,000	5,000	4,853	147
Supplies	14,530	14,530	26,289	(11,759)
Total Instruction	<u>19,530</u>	<u>19,530</u>	<u>31,142</u>	<u>(11,612)</u>
Total Expenditures	<u>19,530</u>	<u>19,530</u>	<u>31,142</u>	<u>(11,612)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(6,629)</u>	<u>(6,629)</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	11,613	11,613
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>11,613</u>	<u>11,613</u>
Net Change in Cash Balance	0	0	4,984	4,984
Cash Balance Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 4,985</u>	<u>\$ 4,984</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 4,984	
Net change in Accounts Payable			(451)	
Net Change in Fund Balance			<u>\$ 4,533</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-IDEA B DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(5,626)	(5,626)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(5,626)</u>	<u>(5,626)</u>
Net Change in Cash Balance	0	0	(5,626)	(5,626)
Cash Balance Beginning of Year	<u>5,626</u>	<u>5,626</u>	<u>5,626</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,626</u>	<u>\$ 5,626</u>	<u>\$ 0</u>	<u>\$ (5,626)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (5,626)	
Net Change in Deferred Revenue			5,626	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-Title V-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(1,042)	(1,042)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(1,042)</u>	<u>(1,042)</u>
Net Change in Cash Balance	0	0	(1,042)	(1,042)
Cash Balance Beginning of Year	<u>1,042</u>	<u>1,042</u>	<u>1,042</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,042</u>	<u>\$ 1,042</u>	<u>\$ 0</u>	<u>\$ (1,042)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (1,042)	
Net Change in Deferred Revenue			1,042	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-TEACHER/PRINCIPAL TRAINING-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 22	\$ 163	\$ 141
Total Revenues	<u>0</u>	<u>22</u>	<u>163</u>	<u>141</u>
Expenditures				
Instruction				
Professional & Tech Services	0	163	163	0
Total Instruction	<u>0</u>	<u>163</u>	<u>163</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>163</u>	<u>163</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(141)</u>	<u>0</u>	<u>141</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(141)	(141)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(141)</u>	<u>(141)</u>
Net Change in Cash Balance	0	(141)	(141)	0
Cash Balance Beginning of Year	<u>141</u>	<u>141</u>	<u>141</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 141</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (141)	
Net Change in Deferred Revenue			<u>141</u>	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-TITLE I RECOVERY ACT-24201
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 8,788	\$ 8,880	\$ 8,825	\$ (55)
Total Revenues	<u>8,788</u>	<u>8,880</u>	<u>8,825</u>	<u>(55)</u>
Expenditures				
Instruction				
Supplies	8,788	8,879	8,879	0
Total Instruction	<u>8,788</u>	<u>8,879</u>	<u>8,879</u>	<u>0</u>
Total Expenditures	<u>8,788</u>	<u>8,879</u>	<u>8,879</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	1	(54)	(55)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ (54)</u>	<u>\$ (55)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-IDEA B RECOVERY ACT-24206
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 8,832	\$ 21,735	\$ 12,443	\$ (9,292)
Total Revenues	<u>8,832</u>	<u>21,735</u>	<u>12,443</u>	<u>(9,292)</u>
Expenditures				
Instruction				
Supplies	8,832	21,735	12,443	9,292
Total Instruction	<u>8,832</u>	<u>21,735</u>	<u>12,443</u>	<u>9,292</u>
Total Expenditures	<u>8,832</u>	<u>21,735</u>	<u>12,443</u>	<u>9,292</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 12,286	\$ 12,286	\$ 7,208	\$ (5,078)
Total Revenues	<u>12,286</u>	<u>12,286</u>	<u>7,208</u>	<u>(5,078)</u>
Expenditures				
Instruction				
Supplies	15,841	15,841	9,434	6,407
Total Instruction	<u>15,841</u>	<u>15,841</u>	<u>9,434</u>	<u>6,407</u>
Total Expenditures	<u>15,841</u>	<u>15,841</u>	<u>9,434</u>	<u>6,407</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,555)</u>	<u>(3,555)</u>	<u>(2,226)</u>	<u>1,329</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(1,329)	(1,329)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(1,329)</u>	<u>(1,329)</u>
Net Change in Cash Balance	(3,555)	(3,555)	(3,555)	0
Cash Balance Beginning of Year	<u>3,555</u>	<u>3,555</u>	<u>3,555</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (3,555)	
Net Change in Due from Grantor			976	
Net Change in Accounts Payable			(976)	
Net Change in Deferred Revenue			3,555	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-STATE FISCAL STABILIZATION FUND-25250
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 11,259	\$ 45,423	\$ 49,793	\$ 4,370
Total Revenues	<u>11,259</u>	<u>45,423</u>	<u>49,793</u>	<u>4,370</u>
Expenditures				
Operation & Maintenance of Plant				
Purchased Property Services	13,689	13,689	4,369	9,320
Other Purchased Services	0	34,164	40,751	(6,587)
Supplies	<u>0</u>	<u>0</u>	<u>99</u>	<u>(99)</u>
Total Operation & Maintenance of Plant	<u>13,689</u>	<u>47,853</u>	<u>45,219</u>	<u>2,634</u>
Total Expenditures	<u>13,689</u>	<u>47,853</u>	<u>45,219</u>	<u>2,634</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,430)</u>	<u>(2,430)</u>	<u>4,574</u>	<u>7,004</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	<u>0</u>	<u>0</u>	<u>(7,004)</u>	<u>(7,004)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(7,004)</u>	<u>(7,004)</u>
Net Change in Cash Balance	(2,430)	(2,430)	(2,430)	0
Cash Balance Beginning of Year	<u>2,430</u>	<u>2,430</u>	<u>2,430</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (2,430)	
Net change in Deferred Revenue			<u>2,430</u>	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-EDUCATION JOB FUND-25255
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 36,888	\$ 36,888	\$ 0
Total Revenues	<u>0</u>	<u>36,888</u>	<u>36,888</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	21,963	21,963	0
Employee Benefits	<u>0</u>	<u>14,925</u>	<u>14,925</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>36,888</u>	<u>36,888</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>36,888</u>	<u>36,888</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-DUAL CREDIT-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 275	\$ 275	\$ 0
Total Revenues	<u>0</u>	<u>275</u>	<u>275</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	275	275	0
Total Instruction	<u>0</u>	<u>275</u>	<u>275</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>275</u>	<u>275</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	128	128
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>128</u>	<u>128</u>
Net Change in Cash Balance	0	0	128	128
Cash Balance Beginning of Year	<u>(128)</u>	<u>(128)</u>	<u>(128)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (128)</u>	<u>\$ (128)</u>	<u>\$ 0</u>	<u>\$ 128</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 128	
Net Change in Due from Grantor			<u>(128)</u>	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-EDUCATION FOR TECHNOLOGY-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 1,580	\$ 1,580
Total Revenues	<u>0</u>	<u>0</u>	<u>1,580</u>	<u>1,580</u>
Expenditures				
Instruction				
Supplies	<u>4,050</u>	<u>4,050</u>	<u>6,085</u>	<u>(2,035)</u>
Total Instruction	<u>4,050</u>	<u>4,050</u>	<u>6,085</u>	<u>(2,035)</u>
Total Expenditures	<u>4,050</u>	<u>4,050</u>	<u>6,085</u>	<u>(2,035)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,050)</u>	<u>(4,050)</u>	<u>(4,505)</u>	<u>(455)</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	<u>0</u>	<u>0</u>	<u>2,731</u>	<u>2,731</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>2,731</u>	<u>2,731</u>
Net Change in Cash Balance	(4,050)	(4,050)	(1,774)	2,276
Cash Balance Beginning of Year	<u>1,774</u>	<u>1,774</u>	<u>1,774</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (2,276)</u>	<u>\$ (2,276)</u>	<u>\$ 0</u>	<u>\$ 2,276</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			<u>\$ (1,774)</u>	
Net Change in Fund Balance			<u>\$ (1,774)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>14,600</u>	<u>14,600</u>	<u>14,600</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 14,600</u>	<u>\$ 14,600</u>	<u>\$ 14,600</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING PROGRAM-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>1,111</u>	<u>1,111</u>	<u>1,111</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,111</u>	<u>\$ 1,111</u>	<u>\$ 1,111</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-LIBRARY GO BOND-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	3,630	3,630
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>3,630</u>	<u>3,630</u>
Net Change in Cash Balance	0	0	3,630	3,630
Cash Balance Beginning of Year	<u>(3,630)</u>	<u>(3,630)</u>	<u>(3,630)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (3,630)</u>	<u>\$ (3,630)</u>	<u>\$ 0</u>	<u>\$ 3,630</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 3,630	
Net Change in Due from Grantor			<u>(3,630)</u>	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-STATE DIRECTED ACTIVITIES-27200
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(3,835)	(3,835)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,835)</u>	<u>(3,835)</u>
Net Change in Cash Balance	0	0	(3,835)	(3,835)
Cash Balance Beginning of Year	<u>3,835</u>	<u>3,835</u>	<u>3,835</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,835</u>	<u>\$ 3,835</u>	<u>\$ 0</u>	<u>\$ (3,835)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (3,835)	
Net Change in Deferred Revenue			<u>3,835</u>	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 CAPITAL PROJECT FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$	\$	\$ 49	\$ 49
Total Revenues	<u>0</u>	<u>0</u>	<u>49</u>	<u>49</u>
Expenditures				
Capital Outlay				
Professional & Tech Services				0
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>49</u>	<u>49</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	<u>0</u>	<u>0</u>	<u>12,242</u>	<u>12,242</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>12,242</u>	<u>12,242</u>
Net Change in Cash Balance	0	0	12,291	12,291
Cash Balance Beginning of Year	<u>19,747</u>	<u>19,747</u>	<u>19,747</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 19,747</u>	<u>\$ 19,747</u>	<u>\$ 32,038</u>	<u>\$ 12,291</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 12,291	
Net Change in Fund Balance			<u>\$ 12,291</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 CAPITAL PROJECT FUND-SPECIAL CAPITAL OUTLAY STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	0	0	0	0
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(12,242)	(12,242)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(12,242)</u>	<u>(12,242)</u>
Net Change in Cash Balance	0	0	(12,242)	(12,242)
Cash Balance Beginning of Year	<u>12,242</u>	<u>12,242</u>	<u>12,242</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 12,242</u>	<u>\$ 12,242</u>	<u>\$ 0</u>	<u>\$ (12,242)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 0	
Net Change in Fund Balance			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 AGENCY FUNDS - ACTIVITY
 Statement of Fiduciary Assets and Liabilities-Agency Fund
 For the Year Ended June 30, 2011

	Beginning Balance 6/30/10	Additions	Deletions	Ending Balance 6/30/11
ASSETS				
Annual	\$ 2,776	\$ 6,352	\$ 4,240	\$ 4,888
Art	50	0	0	50
BPA	38	0	38	0
Baseball	1,069	3,809	2,905	1,973
Cheerleaders	4,221	5,962	9,907	275
Computer Technology	471	0	471	0
Elementary Computers	60	541	6	595
FCCLA	3,250	4,727	3,454	4,523
FFA	8,730	12,495	15,867	5,358
Girls Sports	66	0	66	0
Greenhouse	900	180	56	1,024
Miscellaneous	483	230	301	412
National Honor Society	730	1,070	594	1,206
SADD	32	0	32	0
Scholarship Fund	300	0	300	0
School to Work	321	0	321	0
Shop	1	0	1	0
Student Council	26	846	468	404
A+ Energy Grant	2,000	0	0	2,000
Zune	204	0	0	204
Football	474	610	515	570
Robotics	0	1,000	25	975
Class of 2010	75	0	75	0
Class of 2011	776	0	766	10
Class of 2012	1,301	6,118	6,084	1,335
Class of 2013	74	0	0	74
Class of 2014	33	27	0	59
Class of 2015	72	29	0	101
Class of 2016	0	54	0	54
Total Assets	<u>\$ 28,534</u>	<u>\$ 44,050</u>	<u>\$ 46,495</u>	<u>\$ 26,089</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 28,534</u>	<u>\$ 44,050</u>	<u>\$ 46,495</u>	<u>\$ 26,089</u>
Total Liabilities	<u>\$ 28,534</u>	<u>\$ 44,050</u>	<u>\$ 46,495</u>	<u>\$ 26,089</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Cash Reconciliations - All Funds
For the Year Ended June 30, 2011

		Beginning Cash Balance 6/30/10	Restatement	Restated Beginning Cash Balance	Revenue	Expenditures	Adjustments/ Transfers/ Loans	Ending Cash Balance 6/30/11
Operational	11000	\$ 45,172	\$ 0	\$ 45,172	\$ 1,600,538	\$ 1,550,425	\$ 2,731	\$ 98,016
Teacherage	12000	22,270	0	22,270	8,887	7,044	0	24,113
Transportation	13000	16,664	0	16,664	198,529	197,294	0	17,899
Instructional Materials	14000	6,616	0	6,616	4,766	9,168	0	2,214
Food Service	21000	27,412	0	27,412	55,911	61,359		21,964
Athletics	22000	1	0	1	24,513	31,142	11,613	4,985
Agency Funds	23000	28,534	0	28,534	44,050	46,495	0	26,089
Federal Flowthrough	24000	3,857	0	3,857	81,330	82,251	(28,659)	(25,723)
Federal Direct	25000	5,985	0	5,985	93,889	91,540	(8,333)	0
State	26000	79,358	28,976	108,334	0	0	(108,334)	0
State Flowthrough	27000	17,564	0	17,564	301,854	306,361	2,654	15,711
Local Grants	29000	0	79,358	79,358	321,493	207,973	(11,613)	181,265
Bond Building	31100	19,747	0	19,747	49	0	12,242	32,038
Special Capital Outlay State	31400	12,242	0	12,242	0	0	(12,242)	0
Senate Bill Nine	31700	69,872	0	69,872	38,746	27,253	0	81,365
Debt Service	41000	62,374	0	62,374	93,447	85,302	0	70,519
Total		<u>\$ 417,668</u>	<u>\$ 108,334</u>	<u>\$ 526,002</u>	<u>\$ 2,868,002</u>	<u>\$ 2,703,607</u>	<u>\$ (139,941)</u>	<u>\$ 550,455</u>

The notes to the financial statements are an integral part of this statement.

FEDERAL COMPLIANCE

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2011

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department			
Child Nutrition Cluster			
School Breakfast Program	10.553	21000	16,453
National School Lunch Program	10.555	21000	\$ 26,187
Total Child Nutrition Cluster			<u>42,640</u>
Pass-through State Department of Human Services			
Commodity Supplemental Food Program	10.550	21000	(1) 4,065
Total U. S. Department of Agriculture			\$ <u>46,705</u>
<u>U. S. Department of Energy</u>			
ARRA-Energy Program Special Projects	81.041	27110	<u>300,000</u>
Total U. S. Department of Energy			<u>300,000</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department			
Title I	84.010	24101	\$ 33,981
Special Education, IDEA B Entitlement	84.027	24106	26,784
Improving Teacher Quality	84.367	24154	163
Title I Recovery Act	84.389	24201	8,879
Special Education, Recovery Act	84.391	24206	12,443
ARRA-State Fiscal Stabilization Fund	84.394	25250	45,219
Education Jobs Fund	84.410	25255	36,888
Direct Program			
Rural Education Achievement Program	84.358	25233	10,410
Total U. S. Department of Education			\$ <u>174,767</u>
Total Federal Assistance			\$ <u><u>521,472</u></u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL

Notes to the Schedule of Expenditures of Federal Awards
June 30, 2010

Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

Note 2: Insurance Requirements

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

Note 3: Loans or Loan Guarantees

There were no loans or loan guarantees outstanding at year end.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Elida Municipal School

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and the major special revenue funds, the budgetary comparisons for the major capital project fund, major debt service fund and the combining individual funds and related budgetary comparison presented as supplemental information of the Elida Municipal School (District) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and correct on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; 11-1, 11-2, 11-3, 11-4, 11-5, 11-6, 11-7 and 11-8. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of it's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs; 11-1, 11-2, 11-3, 11-4, 11-5, 11-6, 11-7 and 11-8.

The District's responses to the findings identified in our audit as described in the accompanying schedule of findings and questioned cost. We did not audit the District's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby CPA PC

November 10, 2011

Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Elida Municipal School

Mr. Balderas and Members of the Board

Compliance

We have audited Elida Municipal School (District) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby CPA PC

November 10, 2011

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting

* Material weaknesses identified? No

* Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

* Material weaknesses identified? No

* Significant deficiencies identified? No

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 No

Identification of major programs:

<u>CFDA Numbers)</u>	<u>Name of Federal Program of Cluster</u>
81.119	State Energy Program Special Projects

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Audited qualified as low risk auditee No

FEDERAL AWARDS FINDINGS

Prior Year Audit Findings - (Not a Single Audit)
Current Year Audit Findings - None

FINANCIAL STATEMENT FINDINGS

Prior Year Audit Findings
 None

Current Year Audit Findings

11-1 Expenditures Over Budget-Compliance and Internal Control-Significant Deficiency Condition

The district has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

<u>MAJOR</u>	<u>Amount</u>
General-Operational-11000	
Support Services-Instruction	(\$305)
Support Services-School Administration	(\$300)
Central Services	(\$2)
Operation & Maintenance of Plant	(\$6,484)
Food Service Operations	(\$1,608)
General-Instructional Materials-14000	
Instruction	(\$4,638)
Capital Projects Fund-Senate Bill Nine-31700	
Support Services-General Administration	(\$126)
 <u>NONMAJOR</u>	
Athletics-22000	
Instruction	(\$11,612)
Tech for Education-27117	
Instruction	(\$2,035)

Criteria

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For School District's, the expenditure function is the legal level of control.

Cause

The District did not make the appropriate budgetary adjustments requests and transfers to the funds mentioned in the condition, which would alleviate over-expenditure within the functions prior to the year end.

Effect

As a result, the district is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

Recommendation

The District must establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Response

We will be more diligent to amend our budget to avoid a budget violation.

11-2 Cash Appropriations in Excess of Available Cash Balances -Compliance and Internal Control-Significant Deficiency

Condition

The District maintained a deficit budget in excess of available cash balance in the SB-9 (31700) of \$(7,967), Dual Credit (27103) of \$(128), Tech for Education (27117) of \$(2,276) Library GO Bond (27170) of \$(3,630).

Criteria

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances rebudgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Cause

The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budget deficits.

Effect

The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Recommendation

Greater attention should be given to the budget monitoring process end of the year cash balance estimates.

Response

BARS will be issued to adjust beginning cash to actual and reduce expenditures as necessary.

11-3 Payroll - Compliance and Internal Control-Significant Deficiency

Condition

During our fieldwork we noted the following:

- (a) On the 941's reported to the IRS the Social Security Wages and the Medicare Wages did not agree.
- (b) State Unemployment reports were submitted to the State with no excess wages reported.
- (c) The amount in the general ledger did not agree to the wages reported to state unemployment. The general ledger had a total of \$63,781.62 more than what was reported to state unemployment for the fiscal year.
- (d) We noted that the 941's for 2008 and 2009 were filed incorrectly this caused the District to pay a assessment and penalty fee to the US Treasury in the amount of \$6,578.48.
- (e) The district is paying for services not rendered. The district is cutting payroll at the beginning of the month for that month services.
- (f) The district is cutting payroll once a month which is against state law, for hourly employees.
- (g) There were two employees that were issued both a W-2 and a 1099. Both of these employees were bus drivers.
- (h) We noted that W-2's issued for the calendar year 2010 19 W-2's were missing Social Security Wages which totaled \$17,875.67, 6 W-2's had no New Mexico wages reported which totaled \$8,477.83 and 5 the Federal wages were more than the State wages by \$4,246.64.
- (i) We noted that there were no I-9's in the sampled personnel files.

Criteria

- (a) IRS Publication 15 Circular E sets forth the required due dates for making 941 payroll tax deposits.
- (b), (c) & (d) According to New Mexico Department of Labor regulations all wages paid to employees are to reported quarterly. Also, any wages paid over the taxable base rate of \$20,800 are to be considered excess wages and reported as such on the quarterly report.

(e) The New Mexico Criminal Code makes it a fourth-degree felony for a public official to pay public money for services that have not been rendered. "Paying or receiving public money for services not rendered consists of knowingly making or receiving payment or causing payment to be made from public funds where such payment purports to be for wages, salary or remuneration for personal services [services] which have not in fact been rendered." NMSA 1978, § 30-23-2.

(f) The New Mexico Criminal Code makes it a fourth-degree felony for a public official to pay public money for services that have not been rendered. "Paying or receiving public money for services not rendered consists of knowingly making or receiving payment or causing payment to be made from public funds where such payment purports to be for wages, salary or remuneration for personal services [services] which have not in fact been rendered." NMSA 1978, § 30-23-2.

(i) NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School district shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, direct deposit authorizations, pay or position change notices and ERA plan application. The Immigration Reform & Control Act of 1986 requires all employees hired after November 6, 1986 to complete a I-9 within 3 days of hire.

Cause

The District was not aware of most of these issues.

Effect

All could cause the District to incur penalties and fines.

Recommendation

The District should contact the software provider for help in setting up the payroll correctly. The District should pay bi-monthly beginning in the new fiscal year and pay after services are performed. Additional training is necessary to complete and review payroll reports. All personnel files should be reviewed and additional information included as required.

Response

We will make every effort to correct the above issues.

11-4 1099's - Compliance and Internal Control-Significant Deficiency

Condition

During our fieldwork we noted that the District did not issue all 1099's for the calendar year 2010.

Criteria

According to IRS regulations any entity paid over \$600 (that is not paid through payroll) is required to have a 1099 form prepared and a copy sent to the IRS.

Cause

School personnel did not ensure a review of all payments made was done so that all contract labor was prepared a 1099.

Effect

IRS regulations were not followed. IRS could assess a \$50 penalty per 1099 form not prepared. These penalties are not budgeted for.

Recommendation

The school should implement a review process at the end of the year to ensure that all vendors requiring a 1099 actually receives one.

Response

We will make sure all vendors requiring a 1099 receive one.

11-5 Capital Assets - Compliance and Internal Control-Significant Deficiency

Condition

During our fieldwork we noted that the District does not have a depreciation schedule, a inventory list or certification. The District could not provide documentation to the auditors indicating that a physical inventory was taken and compared to the Districts list of fixed assets.

Criteria

Section 12-6-10, NMSA 1978, requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list a the end of each fiscal year. The agency shall certify the correctness for the inventory after the physical inventory. This certification should be provided to the agency's auditors.

Cause

The District does not have a list of chattels and equipment to compare a physical inventory to.

Effect

The District is in violation of Section 12-6-10, NMSA 1978. A lack of a physical inventory could result in fixed assets being misplaced or stolen without a claim made to the insurance company.

Recommendation

The District should take action to comply with Section 12-6-10, NMSA 1978.

Response

We will compile a list and take a physical inventory and certify such.

11-6 Expenditures -Compliance and Internal Control-Significant Deficiency

Condition

During our fieldwork we noted the following: Fuel Receipt for \$105.00 on 6/30/11 with no documentation on what vehicle it went into and where the vehicle was going. Unable to prove it was for a authorized vehicle or usage. 7 charges on the P-card had no supporting documentation. Unable to prove they were authorized and approved transactions. 3 were for 3 different fuel transactions on the same day totaling \$238.09. 2 were other fuel purchases and 2 were hotel rooms. Out of 161 sampled 157 PO's were issued after fact, 4 could not be located, 13 in the food services had no original invoices just summary's, could not tell if items purchased were correct, and 1 Contract Labor was being paid out of Personnel Services instead of Other Purchased Services.

Criteria

In accordance with 6.20.2.17 Purchasing each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

Cause

The staff are not following the procurement act. They are sending bills to the central office expecting them to be paid without the purchase requisition or purchase order. Revised purchase orders should be issued when the amount of the purchase is greater than expected. Staff did not get the invoice to central office to complete the bill package before the bill was paid.

Effect

Without proper documentation and following the procurement act, there are not adequate controls over expenditures. Results are over spending.

Recommendation

Staff meeting need to be held with training on the procurement process. The Superintendent needs to enforce the process and write up those who violate it. There should be consequences to violations.

Response

We use manually prepared PO and also generate a PO from the computer system. Those PO generated by the system were after the invoice. We will not generate PO from our system in the future and will only rely on the manual PO.

11-7 PED Cash Reports -Compliance and Internal Control-Significant Deficiency

Condition

The District's PED Cash Report at year end did not properly reflect the June 30, 2011 audited cash balances.

Criteria

6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the District's general ledger and must be submitted quarterly and annually by July 31.

Cause

Our reconciled balances did not agree with the District's PED cash report balances. Adjustments were made during the audit process causing there to be differences.

Effect

The District is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6. Noncompliance may result in poor decision making by the District's governing board.

Recommendation

We recommend that the District reconcile grant balances to the bank reconciliation before preparing the PED cash report.

Response

Hopefully starting with correct cash balances will keep this problem from occurring again.

11-8 SAS 115 Compliance-Compliance and Internal Control-Significant Deficiency

Condition

The individuals responsible for the accounting functions for the District lacks the skills and knowledge to apply generally accepted accounting principals in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply the generally accepted accounting principals, which includes GASB 34 and subsequent pronouncements. The Financial statements were prepared by the auditor.

Criteria

Statement on Accounting Standards (SAS) 115, Communication of Internal Control Related Matters Identified in an Audit, requires that management clearly accept responsibility for preparing all financial information and company's financial statements.

Cause

The District's staff has not been trained on Governmental Accounting Standards and related procedures to prepare financial statements.

Effect

The District's management may not be able to detect errors in reporting or financial presentation if they exist. Management may not be qualified to review the financial statements prepared by the auditor.

Recommendation

We recommend that the employees who participate in the accounting function obtain training in governmental accounting and the preparation of financial statements.

Response

The District will continue to rely on the auditor to prepare the financial statements.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held on November 10, 2011 with Jim Daugherty-Superintendent, Garland Creighton-Board Secretary, Susan Lambirth-Business Manager and De'Aun Willoughby, CPA.